

# LICENSEE

News and Updates from the Virginia Department of Alcoholic Beverage Control, Fall 2007, vol. 14, no. 1

## Macro Award-Winning Beer Produced from a Virginia Microbrewery

**W**HEN you visit the St. George Brewing Company in Hampton today, it's hard to believe that their entire brewery burned to the ground Christmas Eve 2000. Some say it was payback for their namesake, St. George, who in ancient English tradition was made famous with the Golden Legend, Saint George and the Dragon. This story indicates that St. George slays a fire-spitting dragon. However, the employees at St. George say it was a blessing in disguise. Before the fire, they were renting their brewery space. Since that time, a new and improved brewery has been built, still located in Hampton, in which they own and have access to more space.

Before the devastating fire, the brewery originated as a brew-on-premise, then starting to build their first brewery in 1998 and opening in August 1999. With small

numbers of employees, two full time and two part time, St. George Brewing Co. has big things to be proud of. This past July, they proudly announced the production of their one-millionth bottle of beer since the company started. For two years in a row (2005 and 2006), the St. George Indian Pale Ale (IPA), prevailed in the Virginia Beer Cup competition from other beers made in the state. To add more "best beer" bragging rights, their brand-new Olde Richmond Brewing Company IPA received second place at the competition this year. But, that's not all they are proud of. St. George is proud to boast that they have some of the cleanest tap water in the country—which explains the good taste in their award-winning beers.

St. George produces 13 beers with four being seasonal. Also trading as Olde

Richmond Company, they contract brew three beers for that company and look forward to two new ones coming soon. Being the largest brewery and only microbrewery in southeastern Virginia, besides Anheuser-Busch, they still have plans to continue their stellar growth. With their beer distributed in bottles and kegs and reaching all of Virginia and Maryland, most of North Carolina and just recently Pennsylvania and West Virginia, it is evident that this microbrewery is successful. They are expected to have output this year of about 3,000 barrels.

Producing award-winning beer isn't easy. At St. George, the beer-making process is the same as anywhere else, only with a few exceptions. The first three steps of brewing

(continued on page 4)



*An employee at St. George Brewing prepares keg bottles of their award-winning beer at the brewery located in Hampton, Virginia.*



*Packaged bottles and kegs of St. George's finest ales and lagers chill in a refrigerated room awaiting distribution.*



The Virginia Department of Alcoholic Beverage Control (ABC) • [www.abc.virginia.gov](http://www.abc.virginia.gov)  
Balancing effective public safety, excellent customer service and a reliable source of revenue.

# LICENSEE

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- A public safety agency with law enforcement responsibilities
- A major source of revenue for the Commonwealth
- An efficient retail business
- A provider of educational and prevention programs
- An administrative hearing agency



**VIRGINIA DEPARTMENT OF  
ALCOHOLIC BEVERAGE CONTROL**



Governor  
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## Message from Enforcement



*Francis J. Monahan,  
Director, ABC Bureau  
of Law Enforcement*

### Don't Gamble with your License

ABC Enforcement has been receiving a lot of complaints about what many in the public view as illegal gambling in licensed establishments. In particular, much of these complaints are about "Texas Hold'em" poker games. Our investigations have revealed that there has been a marked increase in these type activities and we just want to make sure everyone is clear on the law, so as not to jeopardize their licenses.

Section 4.1-225 of the Code of Virginia provides that the Alcoholic Beverage Control Board may revoke or suspend the license of any establishment that has allowed any form of illegal gambling to take place upon the premises.

"Illegal gambling" is defined in Section 18.2-325 of the Code as "the making, placing or receipt of any bet or wager in this Commonwealth of money or other thing of value, made in exchange for a chance to win a prize, stake or other consideration or thing of value, dependent upon the result of any game, contest or any other event the outcome of which is uncertain or a matter of chance, whether such game, contest or event, occurs or is to occur inside or outside the limits of this Commonwealth." Gambling therefore involves three elements—some consideration, a game of chance and a prize. Since poker is a game of chance, either the consideration or prize elements must be absent to prevent the game from being illegal.

When prizes are awarded to winners of the poker games, they are illegal unless the element of consideration has been eliminated. When a prize is involved, poker games on licensed premises are legal as long as players do not pay anything of value for the privilege of participating, or for the purpose of increasing their chance at winning. This "consideration" would include a player having to pay to play, having to pay a cover charge or admission fee to enter the establishment where the game is held, if food or drink purchases were required to participate or if additional chips were rewarded to a player in return for some purchase. Additionally, granting of bonus chips to purchasers of gift certificates or any other item would be "consideration" thus making the game illegal gambling.

If there is no prize, say the winner merely gets to put his name at the top of a list, then a licensee may include a "consideration," as outlined above. Again, for a poker game to be illegal, it must have all three elements: Chance, Consideration and Prize.

### Clarity on Tastings

We have also been made aware that there is growing confusion about what activities are legal during tasting events held at a retail licensed premise. Particularly, questions have arisen as to how alcoholic beverage manufacturers and wholesalers are allowed to be involved in these tasting events. We have included a section in this issue to address and lay out in easy-to-read form what is allowed and what is not allowed.

Additionally, there are a number of circular letters that are being drafted as this newsletter goes to press. These letters are intended to address issues to include further clarification on tasting events, point of sale advertising and further information on the trend of Texas Hold 'em events in licensed establishments. Please be on the lookout for them in the near future.

Please do not hesitate to contact your special agent with any questions you may have. Remember to do your part as a licensee and to operate your business in a safe and responsible manner.

# ABC Hearings and Appeals: A Review of Cases Heard and Settled in Fiscal Year 2007

WITH over 1,500 licensees receiving an administrative violation each year, there are many different types of violations that are sent to the Board for resolution. Here are some interesting facts about the types of cases and the types of outcomes processed in a given state fiscal year (July 1 through June 30).

The ABC Board receives about 1,300 cases per year for administrative violations, contested applications, contested one-day or special event banquet applications, and Beer and Wine franchise hearings, as illustrated in Table 1.

In some cases, licensees are scheduled for an administrative hearing before an ABC hearing officer. However, licensees do have some alternatives to resolving a case before the administrative hearing takes place, including accepting a consent settlement offer or submitting an offer-in-compromise directly to the Board. Figure 1 provides an account of the disposition methods used in ABC cases in past fiscal years.

In Fiscal Year 2007 (ending June 30, 2007), ABC completed processing on 1,112 cases and issued final Board orders to licensees. The average suspension period given for a violation in Fiscal Year 2007 was 21.57 days; the average civil penalty given as a disposition was \$1,928.11. When required, the mandatory suspension period averaged 10.86 days.

953 cases processed in this period had only one violation or objection filed, while 155 cases had multiple violations or objections filed. Four cases were reconsidered by the Board and resulted in a change in the final Board order.

The 953 cases involving licensees who had *one charge* or objection filed by ABC agents were in the follow general categories:

- 684 sold alcohol to underage buyers.
- 54 failed to file the required Mixed Beverage Annual Review (MBAR).
- 52 failed to maintain qualifications for the type of license.
- 23 allowed consumption of alcohol by intoxicated patrons or allowed lewd/disorderly conduct.
- 15 failed to file wine tax reports or shipped wine in excess of limits.
- 11 kept or sold alcoholic beverages they were not licensed to sell.
- 10 either employed or asked for approval to employ a convicted felon.
- 9 advertised or conducted a “Happy Hour” in violations of law or regulations.
- 99 had other miscellaneous violations or objections.

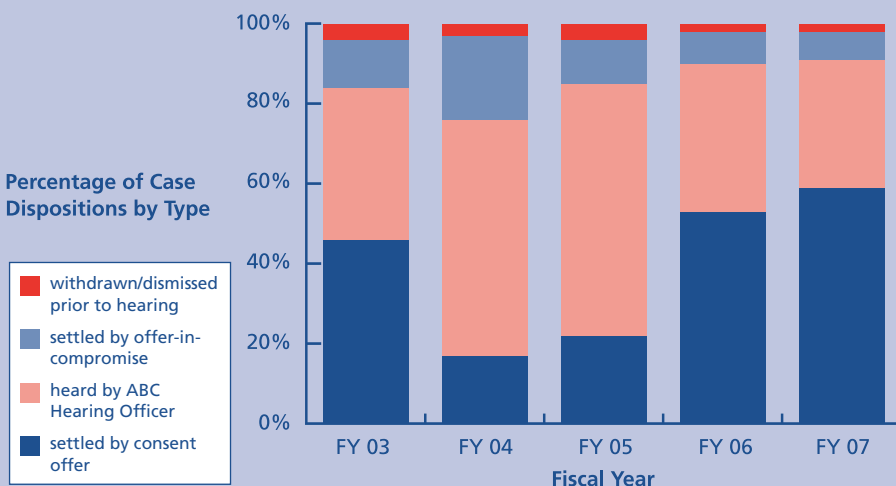
The 155 cases involving licensees with *multiple violations* or objections filed by ABC agents were in the follow general categories (as the primary charge):

- 35 sold alcohol to an underage buyers as the primary charge.
- 14 failed to file required reports, MBARs, or keep accurate records.
- 11 failed to have a designated manager posted/on duty present.
- 11 allowed consumption of alcohol by intoxicated patrons or allowed lewd/disorderly conduct.
- 7 kept of sold alcoholic beverages they were not licensed to sell.
- 6 either allowed “peace and good order” or breach of the peace violations.
- 5 failed to maintain financial responsibility or viability.
- 66 had other miscellaneous violations or objections.

**Table 1. Types of Cases Received by the ABC Board, Fiscal Year 2002–Fiscal Year 2007**

	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Violations	1,466	1,198	1,178	1,144	1,215	1,305
Contested applications	32	74	44	64	74	45
Contested banquets	5	16	12	16	18	28
Franchise	1	2	2	2	10	8
<b>Total</b>	<b>1,504</b>	<b>1,290</b>	<b>1,236</b>	<b>1,226</b>	<b>1,317</b>	<b>1,386</b>

**Figure 1. Percentage of Case Dispositions by Type, Fiscal Year 2003–Fiscal Year 2007**



## Stay Tuned

A Hearings and Appeals review will be a regular feature of the *Licensee* each quarter. Stay tuned next issue for cases processed July 1–September 30, 2007.

## Offers-in-Compromise

Are you interested in learning more about offers-in-compromise? Find out more in the “Did You Know” feature on page 7 of this newsletter.



# Information for You: Tasting Events

**I**n an effort to make the complex subject of conducting tasting events easier to understand, consider the following if you are planning to have such an event. This information is broken down by license type and lists what is PERMITTED during the event:

## Gourmet Shop

- Retailer can sponsor a tasting event and provide samples to customers for on-premise consumption;
- Wholesale employees or their representatives may participate in education, discussion of the product and pouring of the alcoholic beverage to customers;
- Manufacturer employees or representatives may not participate;
- Retail employee must monitor the event and be within close proximity as the event is the responsibility of the retailer.

## All Other Off-Premise Licenses

There is no provision in the law to allow for these events in licensed establishments that possess off-premise licenses such as beer off, wine and beer off, etc. unless the establishment has an “on- & off-premises license,” then see the rules for “Restaurants” or “On-Premises Retailers” below.

## Restaurants/On-Premises Retailers

- Any establishment licensed as an on-premises beer, on-premises wine and beer licensee, or mixed beverage licensee can give a sample of the type of alcohol for which they are licensed to sell for on-premises consumption. Wine samples are limited to two ounces, beer to four ounces, and distilled spirits to one-half ounce. No more than two product samples may be given to any person per visit. Retail employees must conduct the service of these beverages.
- Any establishment with on-premises or on- and off-premises beer and wine licenses can conduct tasting events for the purpose of featuring and educating the consuming public about the alcoholic beverages being tasted. Samples shall not exceed two ounces for wine and four for beer. In this instance, farm winery, winery and brewery employees



may participate in the event to include pouring of samples.

- Manufacturers, wholesalers, and their authorized representatives may conduct on-premises tastings of wine, beer, or spirits within hotels, restaurants, and clubs licensed for on-premises consumption. All alcoholic beverages must be purchased from the retailer. No more than \$100, exclusive of tax and a gratuity of no more than 20 percent, may be spent by any such manufacturer or wholesaler or their authorized representatives at any retail premises within a 24-hour period. Retail employees must conduct the serving of these beverages. No more than 12 ounces of beer, 5 ounces of wine, or 1 1/2 ounces of spirits (no single sample of spirits shall exceed 1/2 ounce) may be offered to any one patron.

We hope this will clear up some of the confusion that surrounds these events. If you or your employees need ANY clarification on this subject or others, please do not hesitate to contact your agent or regional office. ■

## St. George Brewery (continued from page 1)

beer include milling, mashing and brewing. During the brewing stage, important decisions that affect the flavor, color and aroma of the beer are made. It is also during this step when the ‘wort’, sugar rich water, is brought to a boil. At St. George brewery, they boil their wort for about 1 1/2 hours. The next two steps include the cooling and fermentation of the wort. During fermentation, the brewer selects a type of yeast and adds it to the wort. This is the “real magic” of brewing – where the yeast ferments the wort sugars into alcohol. St. George’s Ales are fermented for about 14 days, their lagers for about 30 days and the high-gravity beers for about six weeks. Additionally, all of their bottled beers are bio-filtered which expands the shelf life of the bottle by pulling out more of the bacteria that could grow in the bottle. Their bio-filter goes to a .5 micron.

The micro-movement in the brewery industry is the newest big deal. Microbreweries grew 17 percent in sales this year, which was the fastest out of all alcohol sectors. Although they produce smaller quantities than the commercial-sized breweries, it is a multi-million dollar industry that is rapidly expanding. New microbreweries and brewpubs are becoming increasingly popular.

If you are interested in receiving a sample tasting of their “bloody fine brew”, you can catch the brewers of St. George Brewing Company at various events around Virginia, including the Virginia Beer Festival held in Norfolk and the Shockoe Craft Beer Festival held in Richmond. ■

## FAQs

**Question:** What age can a person be to sell beer at a convenience-type store? If the owner/parent of the person is there, are they allowed by law to sell if they are not over 21?

**Answer:** There is no specific age a person must be to sell beer for off-premises consumption at a Virginia ABC licensed convenience store. However, an employer must be in compliance with child-labor laws, found in the Code of Virginia, sections 40.1-78–40.1-116. Any person in a position to sell alcoholic beverages should be mature enough to handle such a transaction and be able to determine if the purchaser is at least 21 years of age and not intoxicated.

# Licensee Violations and Penalties, July–September 2007

As a result of ABC Bureau of Law Enforcement investigations and the ABC hearings process, the following businesses received a minimum sanction of a 10- to 30-day suspension and/or at least a \$500 fine. These sanctions were selected randomly from the Final Decisions and Orders issued from July 2007 through September 2007.

The sanctions are reported to raise the awareness of licensees by informing them of the potential penalties for violating Virginia's ABC Laws and Regulations. It is the hope that making licensees aware of these major violations will serve as a deterrent. Most licensed establishments operate clean and safe businesses as encouraged by the Virginia ABC Board.

## **Beer Wholesaler/Lorton**

Licensee sold beer without first obtaining approval with Board as to content, container and label; licensee provided a monetary credit to a retail licensee on a sale of alcoholic beverage contrary to Board regulations; agreed to pay civil penalty of \$2,500 with a written warning.

## **Restaurant/Abingdon**

Licensee allowed consumption of alcoholic beverages to intoxicated person; allowed intoxicated person to loiter on licensed premises; accepted 40 day suspension.

## **Restaurant/Alexandria**

Licensee failed to keep complete, accurate and separate records; purchased alcoholic beverages from unauthorized person; person consumed alcoholic beverages while on duty; licensee sold alcoholic beverage in unauthorized place or manner; licensee failed to obliterate the mixed beverage stamps immediately; licensee refilled bottles of alcoholic beverages; license revoked.

## **Restaurant/Arlington**

Licensee failed to have a designated manager on duty; failed to keep complete, accurate and separate records; licensee prepared mixed beverages except pursuant to a patron's order; accepted penalty of \$1,500.

## **Restaurant/Arlington**

Licensee cannot demonstrate financial responsibility; licensee permitted the consumption of alcoholic beverages after 2 a.m. and 6 a.m., manager was intoxicated on duty; failed to obliterate the mixed beverage stamps; licensee kept unauthorized alcohol on premises; licensee filled or refilled alcoholic beverages; suspension of 35 days or \$2,000 and 14 day suspension.

## **Restaurant/Blacksburg**

Licensee cannot demonstrate financial responsibility; license revoked.

## **Restaurant/Charlottesville**

Licensee permitted the consumption of alcoholic beverages between 2 a.m. and 6 a.m.; licensee allowed beer dispensed to be removed from authorized areas; accepted civil penalty of \$500 and licensee will cease selling alcoholic beverages after midnight.

## **Restaurant/Covington**

Licensee sold to intoxicated person; allowed consumption of alcoholic beverages by intoxicated person. Charge 1: suspended for 25 days and \$1,250 fine; Charge 2: suspended for 25 days and \$1,250 fine.

## **Restaurant/Falls Church**

Licensee kept or allowed unauthorized alcoholic beverages on premises; licensee sold unauthorized alcoholic beverages; suspended for 60 days or \$4,000 and 30 day suspension.

## **Restaurant/Hayes**

First Offense. Sold to underage person; allowed noisy or disorderly conduct on premises; suspended for 25 days and \$2,000 fine.

## **Restaurant/Lynchburg**

Licensee allowed consumption of alcoholic beverages to intoxicated persons; sold alcoholic beverages to intoxicated persons; suspended for 25 days or \$2,500 fine.

## **Restaurant/Marion**

Licensee allowed consumption of alcoholic beverages to intoxicated persons; sold alcoholic beverages to intoxicated persons; suspended for 25 days or \$1,250 fine.

## **Restaurant/Midlothian**

Licensee entreated, urged or enticed a patron to purchase alcoholic beverages; accepted fine of \$500.

## **Restaurant/Portsmouth**

Sold to underage person; allowed person under 21 to act as a designated manager; licensee failed to have designated manager present. Suspended for 25 days or \$2,000, Charge 3: suspended 7 days or \$500 fine.

## **Restaurant/Radford**

Licensee allowed consumption of alcoholic beverages to intoxicated person; allowed intoxicated person to loiter on premises; allowed employee to consume alcohol while on duty. Charge 1 & 2: suspended for 30 days or \$3,500 fine. Charge 3: suspended for 15 days or \$1,000 fine.

## **Restaurant/Reston**

Allowed manager to be in charge without name being posted; failed to keep complete, accurate and separate records; accepted \$1,000 fine in lieu of 7 day suspension.

## **Restaurant/Richmond**

Licensee intoxicated on duty; suspended for 25 days or \$2,000 fine and 7 day suspension.

## **Restaurant/Roanoke**

Licensee allowed consumption of alcoholic beverages to intoxicated person; suspended for 25 days or \$2,000 fine.

## **Restaurant/Staunton**

Licensee allowed consumption of alcoholic beverages to intoxicated person; accepted \$1,500 fine.

## **Restaurant/Sterling**

Licensee allowed consumption of alcoholic beverages to intoxicated person; licensee sold to intoxicated person; accepted \$3,000 fine.

## **Restaurant/Virginia Beach**

Licensee failed to submit annual review report to Board; license revoked.

## **Restaurant/Winchester**

Sold to underage person; accepted suspension of 3 days and \$4,500 fine.

## **Restaurant/Woodbridge**

Licensee failed to post name of manager; failed to have designated manager on duty; failed to keep complete, accurate and separate records; kept unauthorized alcoholic beverages; failed to report changes in officers; failed to obliterate the mixed beverage stamp; suspended 25 days or \$2,500 fine.

## **Restaurant/Yorktown**

Sold alcoholic beverages to intoxicated persons on five different occasions; allowed consumption on premises while intoxicated; suspended for 60 days or \$5,000 and suspended for 30 days.

## Additional Stores in Eligible Areas to Open on Sundays

THE 2004 session of the General Assembly passed legislation that permitted sales on Sunday in certain Virginia Alcoholic Beverage Control (ABC) stores, effective July 1, 2004. The legislation established geographic boundaries in Northern Virginia, Virginia Beach and Norfolk within which stores would be permitted to open on Sundays.

As part of its initial test, in 2004 ABC retail management selected approximately 50 out of the 70 stores eligible to participate. In the first year, those stores generated \$6.7 million from Sunday sales. Since the initiative began, sales on Sunday have grown an average of 20 percent per year. Recent analysis of Sunday sales from these stores indicate that, along with increasing customer service, each of these locations have generated a rate of return on Sundays of 45 percent and profit and taxes of \$4.3 million. Analysis further indicates that large portions of these sales are new business.

Even though Sunday sales are primarily coming from non-business customers, ABC licensees are also making a contribution to the success. For the ABC stores that serve licensees, in Fiscal Year 2006, licensees contributed 3.5 percent of total sales and in Fiscal Year 2007, 3.6 percent.

Given the success of the existing stores, the ABC Board, with input from the Chief Operating Officer, Chief Financial Officer, Wholesale/Retail management and the regional managers, has moved forward to further extend Sunday sales within the identified eligible areas. This resulted in the testing of Sunday sales in approximately 40 additional stores beginning September 2, 2007. The performance of these additional stores, along with the original stores, will be monitored monthly to ensure that each store merits continued operation on Sundays.

For a list of stores that are open for Sunday sales, please visit the ABC Web site at [www.abc.virginia.gov](http://www.abc.virginia.gov), and on the left menu, click on "Stores & Products," then select "Stores Open on Sundays." ■

## New Product Listings

DUED to requests, new product listings have now been added to the *Licensee* newsletter. The Product Listings Committee meets twice a year with vendors as they market their products. The committee makes recommendations to the Board, and they offer the final approval of all products. New products are added in November and May of each year.

Below, please find the list of products

available, beginning November 1, 2007. These products can be found in selected ABC stores and in our warehouse ready to be shipped. If the new product doesn't meet the contribution margin in sales, then it's taken off the shelves. Licensees may also look through the special order catalog on ABC's Web site at [www.abc.virginia.gov](http://www.abc.virginia.gov), which has approximately 300 items that can be ordered by the bottle. ■

### New Listings as of November 1, 2007

#### Canadians

Crown Royal Cask No. 16  
(375/750 ml)

#### Cocktails

Chi-Chi Strawberry Daiquiri  
Salvador's Premium  
Margarita

#### Cordials

Bols Pomegranate  
Café Bohème (50/750 ml)  
Casoni Limoncello  
Godiva Caramel  
Hog Master  
Marie Brizzard Watermelon  
(50/750 ml)  
St. Germain (50/750 ml)  
Toschi Lemoncello

#### Corn Liqueur

Junior Johnson's Midnight  
Moon

#### Gin

Pinnacle Gin  
Seagram Twisted Apple Gin

#### Irish

Middleton Very Rare Irish  
Whiskey

#### Mixer

Daily Peach Daiquiri/  
Margarita Mix  
Stirrings Pina Colada

#### Rum

Cruzan Orange Rum  
Leblon Cachaca  
Zaya Rum

#### Schnapps

99 Peaches

#### Scotch

Ardbeg 10 yr Single Islay  
malt  
Balvenie Sherry Wood 17 yr  
The Glenlivet Archive 21

#### Tequila

Degollado Gold  
Jose Cuervo Platino Reserva  
De La Familia  
Lunazul Reposado  
Sauza Hornitos Anejo  
Sauza Hornitos Plata  
Voodoo Tiki Reposado

#### Vodka

267 Vodka Infusion Olives  
& Pearl Onions  
Alchemy Chocolate Vodka  
Balinoff Vodka  
Burnetts Pomegranate Fl.  
Vodka  
Hendrix Electric Vodka  
(50/750 ml)  
Krol Lemon Raspberry  
Vodka  
Nikolai 90  
Pearl Plum Vodka  
Seagram Premium Select  
Vodka  
Stolichanaya Strasberi  
Svedka Citron Flav. Vodka  
UV Pink Lemonade Vodka  
Zhitomirska w/ Honey

#### Whiskey

Eades Double Malt Whiskey  
Suntory Yamazaki 12 yr

#### Wine

Chesapeake Blue Crab  
Blanc  
Chesapeake Blue Crab  
Blush  
Ingleside Chardonnay  
Ingleside Sweet Va. Rose  
Prince michel Cabernet  
Franc  
Rapidan River Rose



Complete and updated ABC Liquors and Wines Price List and ABC Special Orders Catalog can both be downloaded from ABC's Web site at [www.abc.virginia.gov](http://www.abc.virginia.gov).



## Alcohol and Aging Brochures Are Now Available

**D**ISPLAY your commitment to responsible selling to older adults by ordering and displaying Alcohol and Aging brochures.

Serving a large clientele of older adults? A quick order of this brochure will equip your establishment with a current tool to reflect your commitment to responsible selling to the more mature citizen. To aid you and your customers in recognizing the affects of alcohol on the aging population and to deter the hidden dangers of mixing alcohol with prescription medications, order multiple copies and place them where both the seller and buyer can see them. The brochure is available in English. Contact Regina Whitsett at 804-213-4445 or visit [www.abc.virginia.gov](http://www.abc.virginia.gov) for free brochures. ■

Exercise your body and mind.  
Stay active. Think positively.



## The Best Is Yet to Come

Get involved. Enjoy life. Give  
back to society. Don't Let  
Alcohol Shatter Your Dreams

Order your free copies of ABC's Alcohol and Aging brochure. Contact Regina Whitsett at (804) 213-4445 or visit [www.abc.virginia.gov](http://www.abc.virginia.gov).

## Do Not Sell Stickers 2008 . . . Coming Soon.

Do Not Sell Stickers are easy-to-read tools that aid sellers when checking IDs. The stickers are coated with a smear-resistant varnish to prevent fading and use two different bold colors, for alcohol and for tobacco. To deter underage buyers, ABC suggests placing the stickers where both the seller and buyer can see them, possibly on the counter-top or bar where purchases are made.

Although it is not mandatory, it is extremely important that these stickers are displayed in all licensed establishments. Additional stickers, or stickers in Spanish, are available upon request by calling ABC's Public Affairs Division at (804) 213-4413 or e-mailing the request to [pubrel@abc.virginia.gov](mailto:pubrel@abc.virginia.gov). Please include the number of sheets needed, mailing address and which version - alcohol, tobacco or both and English, Spanish or both.

## Did You Know?

### Offer-in-Compromise: An Alternative to Settle Pending Administrative Charges

If you are one of the 1,500 or so licensees per year receiving an administrative violation against your ABC license, you may have wondered what happens next in the hearings process. In some cases, you will be scheduled for an administrative hearing before an ABC hearing officer. However, licensees do have some alternatives to resolving a charge before the administrative hearing takes place. An offer-in-compromise is a settlement offer that is initiated by a licensee or his/her attorney and is authorized under 3 VAC 5-10-160 of the ABC regulations.

Under the provisions of the regulations, once a licensee gets the notice of an administrative violation, he/she has the ability to submit an offer to settle the matter directly to the ABC Board. The offer should be in writing to the Secretary of the ABC Board (Mr. W. Curtis Coleburn) and should include the licensee's suggested suspension or civil penalty to resolve the pending administrative charge(s). The Board will either accept or reject the offer. If it is rejected, the licensee may submit a second offer to the Board, or appear at the hearing on the appointed date. Submission of an Offer-in-Compromise constitutes an admission of the alleged violation and is a waiver of the right for a formal hearing, if accepted by the Board.

The purpose of this regulation is to allow the Board and licensees to share information when it is in the public interest to resolve the pending matter before a hearing. A good example would be when a licensee is selling a business, but needs to resolve the pending ABC administrative charges before the closing of the sale or when the licensee wants to admit guilt in a matter but does not qualify for a first offense penalty.

There were 233 offers-in-compromise made last fiscal year, ending June 30, 2007. Out of those offers-in-compromise processed, the Board accepted 78, or 33.4 percent of all offers made.

Some licensees confuse this process with a consent settlement, which is a settlement offer initiated by ABC. The Chief Hearing Officer initiates a consent settlement in writing. If the licensee admits the alleged violations(s) and accepts a monetary penalty and/or suspension of the ABC license, the licensee consequently waives the right to a hearing and an appeal.

The Hearings and Appeals Division staff travel statewide to conduct hearings, working with customers in all regions of the state to resolve administrative violations and hear objections in contested application matters. A licensee always gets at least 10 days notice before an administrative hearing is held (as required by the Virginia Administrative Process Act, §2.2-4000 et seq. of the Code of Virginia). We want to make sure licensees know their options to settle a matter before a hearing is held. If you need more information about the offer-in-compromise process, please contact Pam Henley at (804) 213-4451.

# Notice...

## FAQs

**Question:** Are people under 21 years of age allowed to sit at the bar?

**Answer:** There is no ABC law prohibiting a person less than 21 years of age from sitting at a counter-bar in a Virginia ABC license restaurant. However, a licensee may establish its own in-house policy prohibiting it.

## Send in Your Questions!

Have a retail license question you would like answered in the next issue? Please submit your questions via e-mail to [Kristy.Marshall@abc.virginia.gov](mailto:Kristy.Marshall@abc.virginia.gov).

## ABC Enforcement CrimeLine

To report a crime relating to any ABC laws, please call the ABC Enforcement CRIMELINE at (866) 437-3155. You may also log onto the ABC Web site, [www.abc.virginia.gov](http://www.abc.virginia.gov), and use the Violation Complain Form that is available under the Laws & Enforcement section. We welcome your involvement with ABC's efforts to maintain public safety while providing public service to Virginians.

**BE SURE**  
before you sell



Free compliance table tents and pins are still available. Place your order by e-mailing [pubrel@abc.virginia.gov](mailto:pubrel@abc.virginia.gov) or by calling (804) 213-4413. Please visit [www.abc.virginia.gov](http://www.abc.virginia.gov) for more information.

## RSVP

### Upcoming 2008 RSVP Trainings

Responsible Sellers and Servers: Virginia's Program (RSVP) is a class designed specifically for bartenders, clerks, cashiers, waitstaff and other front-line employees. RSVP touches on how to prevent sales to minors and intoxicated customers, how to spot fake IDs and much more. RSVP takes place at various regional sites throughout Virginia.

Please see the schedule below for upcoming RSVP training dates. To register for the trainings and to find out location information, please visit the ABC Web site at [www.abc.virginia.gov](http://www.abc.virginia.gov), click on "Licensee Resources" and then go to "ABC Licensee Training & Resources." *Early registration is encouraged.*

**Wednesday, January 16, 2008**

Chesapeake, 9 a.m.–12 p.m. & 1–4 p.m.  
Hampton, 9 a.m.–12 p.m.

**Wednesday, January 23, 2008**

Colonial Heights, 9 a.m.–12 p.m.  
Lynchburg, 9 a.m.–12 p.m.  
Roanoke, 9 a.m.–1 p.m.

**Wednesday, January 30, 2007**

Alexandria, 9 a.m.–12 p.m. & 1–4 p.m.



VIRGINIA DEPARTMENT OF  
ALCOHOLIC BEVERAGE CONTROL

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